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Attorneys for KG PARTIES\*

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF HAWAII

SPORTS SHINKO CO., LTD., a  
Japan corporation,

Plaintiff,

vs.

QK HOTEL, LLC, a Hawaii limited  
liability company, et al.,

Defendants,

And

CV 04-00124 ACK-BMK

CV 04-00127 ACK-BMK

CONSOLIDATED CASES

KG PARTIES' CONCISE  
STATEMENT OF FACTS IN  
SUPPORT OF MOTION FOR  
PARTIAL SUMMARY  
JUDGMENT; DECLARATION OF

\* The KG Parties are Defendants, Counterclaimants, and Third-Party Plaintiffs  
KG HOLDINGS, LLC, KIAHUNA GOLF CLUB, LLC, KG KAUAI  
DEVELOPMENT, LLC, PUKALANI GOLF CLUB, LLC, KG MAUI  
DEVELOPMENT, LLC, MILILANI GOLF CLUB, LLC, QK HOTEL, LLC, and  
OR HOTEL, LLC

FRANKLIN K. MUKAI, et al.,  
Third-Party Plaintiffs,  
  
vs.  
SPORTS SHINKO (USA) CO., LTD.,  
a Delaware Corporation, et al.,  
Third-Party Defendants.

ROBERT A. MARKS; EXHIBITS 1  
- 7; CERTIFICATE OF SERVICE

SPORTS SHINKO CO., LTD., a  
Japan corporation,  
Plaintiff,  
  
vs.  
OR HOTEL, LLC, a Hawaii limited  
liability company, et al.,  
Defendants,  
  
and  
FRANKLIN K. MUKAI, et al.,  
Third-Party Plaintiffs,  
  
vs.  
SPORTS SHINKO (USA) CO., LTD.,  
a Delaware Corporation, et al.,  
Third-Party Defendants.

CV 04-00127 ACK-BMK

**CONCISE STATEMENT OF FACTS IN SUPPORT OF  
KG PARTIES' MOTION FOR PARTIAL SUMMARY JUDGMENT**

Pursuant to Local Rule 56.1 of the Rules of the United States District Court  
for the District of Hawaii, Defendants, Counterclaimants and Third-Party Plaintiffs  
KG HOLDINGS, LLC, KIAHUNA GOLF CLUB, LLC, KG KAUAI  
DEVELOPMENT, LLC, PUKALANI GOLF CLUB, LLC, KG MAUI  
DEVELOPMENT, LLC, MILILANI GOLF CLUB, LLC, QK HOTEL, LLC, and  
OR HOTEL, LLC ("KG Parties"), through their counsel, Price Okamoto Himeno

& Lum and Klevansky & Piper, LLP, hereby submit their concise statement of facts and supporting exhibits and declarations in support of their Motion for Partial Summary Judgment filed contemporaneously herewith.

DATED: Honolulu, Hawaii, May 10, 2007.

/s/ Robert A. Marks

WARREN PRICE, III

ROBERT A. MARKS

SIMON KLEVANSKY

ALIKA L. PIPER

CARISA LIMA KA'ALA HEE

Attorneys for the KG Parties

	<u>FACT</u>	<u>SUPPORT</u>
1.	SS-Japan <sup>1</sup> is a Japan corporation	Exhibits 1A & 1B at ¶ 1
2.	South Wind is a Cayman Island exempted limited liability company	Exhibits 1A & 1B at ¶ 7
3.	SS-USA is a Delaware Corporation. SS-Hawaii, SSRHC and SS-Waikiki are Hawaii corporations	Exhibits 1A & 1B at ¶1
4.	SS-Japan was the sole shareholder of SS-USA, which is the sole shareholder of SS-Hawaii, which is the sole shareholder of SSRHC, which is the sole shareholder of SS-Waikiki.	Exhibits 1A & 1B at ¶ 1
5.	On or about February 4, 2002, the District Court for Osaka, Japan appointed a Trustee and deputy Trustees to manage SS-Japan's domestic and overseas assets.	Exhibits 1A & 1B at ¶ 48
6.	On February 24, 2004, South Wind indirectly acquired 100% of the stock of SS-USA when it acquired 100% of the stock of SS-Japan	Exhibit 3 at 256 1598
7.	On September 30, 2004, South Wind directly acquired 100% of the stock of SS-USA	Exhibit 5 at 5
8.	SS-USA and subsidiaries' U.S. Corporation Tax Return for calendar year 2004 was filed with the IRS on behalf of SS-USA and various subsidiaries, including SS-Waikiki	Exhibit 3 at 256 1583 – 1584
9.	SS-USA and subsidiaries' U.S. Corporation Tax Return for calendar year 2004 was signed by the taxpayer on September 18, 2005	Exhibit 3 at 256 1559
10.	As of December 31, 2003, SS-USA and subsidiaries were indebted to SS-Japan in the amount of \$92,051,671	Exhibit 3 at 256 1597

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<sup>1</sup> Terms defined in the Motion for Partial Summary Judgment shall have the same meaning here.

	<u>FACT</u>	<u>SUPPORT</u>
11	As of December 31, 2004, SS-USA and subsidiaries, including SS-Waikiki, were not indebted to SS-Japan	Exhibit 3 at 256 1596 – 1597; Exhibit 6
12	As of December 31, 2003, SS-Japan was indebted to SS-USA and subsidiaries in the amount of \$5,315,921	Exhibit 3 at 256 1597
13	As of December 31, 2004, SS-Japan was not indebted to SS-USA and subsidiaries	Exhibit 3 at 256 1597
14	During calendar year 2004, SS-Japan made a tax-free transfer to SS-USA and subsidiaries in the amount of \$86,735,750	Exhibit 3 256 1599
15	In SS-USA and subsidiaries' 2004 U.S. Corporation Tax Return, no debt was reported to be owed to South Wind by SS-USA and subsidiaries	Exhibit 3
16	As of December 31, 2004, SS-Waikiki had no liabilities, including no notes payable or other debts owing	Exhibit 6 at 256 0274; 256 0276
17	Exhibit 6 was prepared after December 31, 2004	Exhibit 6
18	There is no signed promissory note or other signed instrument that gives rise to an enforceable debtor-creditor relationship in which SS-Waikiki is a debtor of SS-Japan	Exhibit 7; Marks decl. ¶ 9
19	There is no validly executed corporate resolution from SS-Waikiki authorizing it to borrow money from SS-Japan	Exhibit 7; Marks decl. ¶ 9
20	There is no validly executed corporate resolution from SS-Japan authorizing it to lend money to SS-Waikiki	Exhibit 7, Marks decl. ¶ 9
21	There is no signed promissory note or other signed instrument that gives rise to an enforceable debtor-creditor relationship in which SS-Waikiki is a debtor of SS-Hawaii	Marks decl. ¶ 10

	<u>FACT</u>	<u>SUPPORT</u>
22	There is no signed promissory note or other signed instrument that gives rise to an enforceable debtor-creditor relationship in which SS-Waikiki is a debtor of SSRHC	Marks decl. ¶ 10